

## Growth in revenue and investments in VKR Holding

**VKR Holding realised record-high revenue in 2017, while profit declined as expected due to a year of large investments.**

VKR Holding continues its stable development after record results in 2016. Revenue increased by 2.9% to DKK 18.6 billion, while profit for the year declined as expected by 3% to DKK 2.5 billion due to increased capacity and marketing costs. Additionally, the VELUX and DOVISTA Groups invested significantly to ensure future growth prospects.

*"We are experiencing stable growth in our activities, but in 2017 we made extraordinarily large operating investments to improve our future capacity and market positions. Consequently, profit has declined a little as we predicted in our outlook for 2017. We consider the annual profit as satisfactory",* says Mads Kann-Rasmussen, CEO of VKR Holding. He continues:

*"We have continued our active investment strategy to acquire a new business area. As announced last year, we will wait for the right opportunity before we make a significant investment. The same is true for our business areas where we see good opportunities for both organic and acquired growth.*

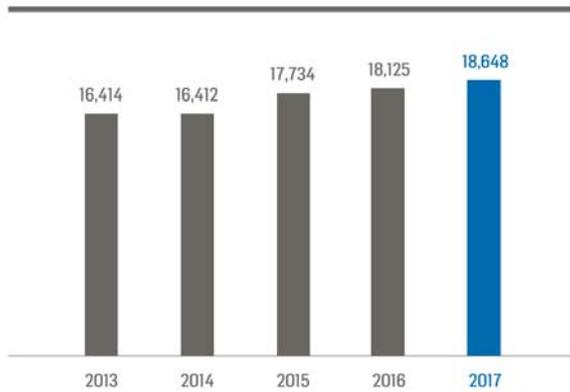
VKR Holding's last activities within Ventilation were discontinued due to the divestment of Monodraught Ltd. after 10 years of ownership. There are no plans for further divestments.

### CONSOLIDATED FINANCIAL HIGHLIGHTS

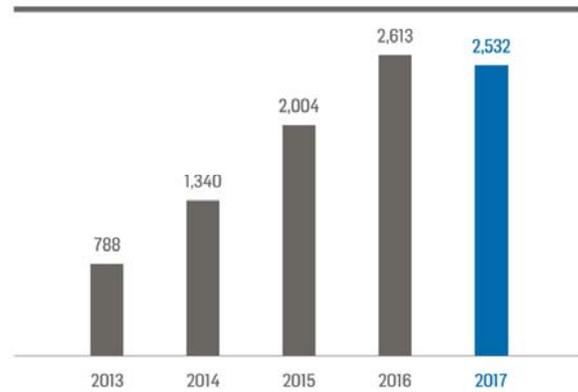
Key figures (DKKm)	2017	2016	2015	2014	2013
Revenue	18,648	18,125	17,734	16,412	16,414
Earnings before depreciation (EBITDA)	3,324	3,556	3,743	2,950	2,272
Earnings before goodwill amortisation (EBITA)	2,849	3,095	2,900	2,011	1,335
Earnings before financial items and tax (EBIT)	2,820	3,014	2,804	1,916	1,190
Net financials	458	462	-17	-3	62
Profit after tax	2,532	2,613	2,004	1,340	788
Investment in tangible fixed assets (net)	864	238	503	244	594
Free cash flow before tax	2,164	3,264	3,235	2,880	2,225
Total assets	19,720	17,940	16,060	14,550	17,318
Equity	15,948	14,276	12,522	11,180	14,144
<b>Financial ratios (%)</b>					
EBITA margin	15.3	17.1	16.4	12.3	8.1
Return on capital employed	39.2	43.7	39.2	24.9	14.5
Equity ratio	80.9	79.6	76.8	76.8	81.7
<b>Average number of employees</b>	<b>14,764</b>	<b>13,885</b>	<b>13,644</b>	<b>13,444</b>	<b>14,519</b>

Financial ratios have been prepared in accordance with the Danish Finance Society's recommendations. Reference is made to the accounting policies.

## REVENUE – DKKm



## PROFIT AFTER TAX – DKKm



The VELUX Group and the DOVISTA Group, which are responsible for our activities within roof windows and vertical windows respectively, both realised revenue growth in 2017, while Arcon-Sunmark could not live up to the record year of 2016. Arcon-Sunmark's business model is based on large-scale projects and therefore can experience large fluctuations in earnings from year to year.

During the year, the VKR Group made significant investments. The VELUX Group moved its warehouse and logistics centre for Central Europe to Sonneborn in Germany, where production facilities have also been expanded. The DOVISTA Group is constructing a new factory in Lithuania, which is one of the largest foreign investments in the country.

Combined, this led to a result in VKR Holding in line with expectations.

*"Overall, the level of activity in the VKR Group is expected to increase in the coming year. We will continue to strive to strengthen our market positions and we will maintain the increased level of costs driven by VELUX A/S and DOVISTA A/S. We expect that results for 2018 will be in line with 2017,"* says Mads Kann-Rasmussen.

### **About VKR Holding**

VKR Holding is a holding and investment company whose objective is to create value through financial investments and ownership of companies. VKR Holding's companies have approx. 14,900 employees across 41 countries. VKR Holding is foundation- and family-owned, and its largest shareholder is VILLUM FONDEN.



Roof windows  
& skylights



Vertical windows



Solar  
thermal energy



For additional information, visit <http://www.vkr-holding.com>

**Contacts:**

Jens Bekke, VELUX A/S, Media Relations + 45 21 55 07 89

Astrid Bohn Bosworth, Executive Secretariat, VKR Holding A/S + 45 39 57 05 43